

BEFORE

THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 92-618-C - ORDER NO. 93-250

MARCH 30, 1993

IN RE: Application of Intellicall Operator ) ORDER  
Services for a Certificate of Public ) APPROVING  
Convenience and Necessity to Provide ) CERTIFICATE  
Intrastate Operator-Assisted Resold )  
Telecommunications Services. )

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Intellicall Operator Services (Intellicall or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. Intellicall's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Intellicall to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing was to inform interested parties of Intellicall's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Intellicall complied with this instruction and provided the

Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone and Telegraph Company (Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on February 23, 1993, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Henry G. Yonce, Chairman, presided. John M.S. Hoefer, Esquire, represented Intellicall; Caroline N. Watson, Esquire, represented Southern Bell; Carl F. McIntosh, Esquire, represented the Consumer Advocate; and Gayle B. Nichols, Staff Counsel, represented the Commission Staff.

At the beginning of the hearing Southern Bell announced that it had entered into a Stipulation with Intellicall. Hearing Exhibit #1. The terms of the Stipulation are as follows:

- (1) The Applicant requests the authority to provide operator-assisted services only. Such request for authority will clearly be limited to interLATA calls and any "0+" or "0-" intraLATA calls received by IOS [Intellicall] will be routed to the LEC for completion.
- (2) Any request for authority by the Applicant in this proceeding other than that outlined in (1) above will be limited to authority for interLATA service only.
- (3) If any unauthorized intraLATA calls are inadvertently completed by the Applicant, the Applicant should reimburse the LEC pursuant to the Commission's Order in PSC Docket No. 86-187-C.

Intellicall presented the testimony of B. Reid Presson, Jr. in support of its Application. Mr. Presson explained Intellicall's request to provide intrastate, interLATA telecommunications

services and operator assistance for calls originating throughout the State of South Carolina as a non-facilities based reseller, utilizing the long distance facilities of authorized telecommunications carriers. Mr. Presson testified that Intellicall proposes to provide service to customers of commercial and institutional establishments, including hospitals, hotels and owners of customer owned coin operated telephones. He testified that Intellicall provides both automated and live operator assistance utilizing a Texas-based operator center connected to Intellicall's customer base through resold facilities. Mr. Presson testified that Intellicall is authorized to provide service on an intrastate basis in 31 states.

After full consideration of the applicable law and of the evidence presented by Intellicall, the Consumer Advocate, Southern Bell, and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. Intellicall is incorporated under the laws of the State of Delaware, and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. Intellicall operates as a non-facilities based reseller of interexchange services and wishes to do so on an interLATA basis in South Carolina.
3. Intellicall has the experience, capability, and financial resources to provide the services as described in its Application.

4. Southern Bell and other local exchange carriers (LECs) should be compensated for any unauthorized intraLATA calls completed through Intellicall's service arrangements.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Intellicall to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications (WATS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission. Intellicall shall provide its services in accordance with its Application subject to the condition outlined in Hearing Exhibit 1.

2. If Intellicall incidentally or accidentally completes any intraLATA calls, all LECs shall be compensated by Intellicall as ordered by the Commission in Order No. 86-793, issued August 5, 1986, in Docket No. 86-187-C.

3. The Commission adopts the rate design for Intellicall for its resale services for interLATA calling which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate level with a flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). With the below noted exceptions, the Commission adopts Intellicall's proposed maximum rate tariff.

4. Intellicall shall not adjust its rates for interLATA calls below the approved maximum level without notice to the Commission and to the public. Intellicall shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. A proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Intellicall's subscribers should constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1992).

5. For the provision of intrastate telecommunications service, Intellicall may only use underlying facility-based carriers that are certified by this Commission to provide such service. Intellicall shall notify the Commission in writing of its underlying carrier(s) and of any change in its carrier(s).

6. Intellicall shall file its tariff and an accompanying price list in a three ring notebook to reflect the Commission's findings within thirty (30) days of the date of this Order.

7. Intellicall should be allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated from hotels, motels, and customer-owned pay telephones only if the property owners have not added a surcharge already. That is, the Company may not impose an additional surcharge to calls originating from hotels, motels, and customer-owned pay telephones if such a surcharge has already

been imposed by the property owners. If Intellicall adds such a surcharge, it should be paid in its entirety to the customer of Intellicall. Further, if the surcharge is applied, the end-users should be notified of the imposition of the surcharge. This notification should be included in the information piece such as tent cards or stickers identifying the Company as the operator service provider at pay telephones and at hotel/motel guest phones.

8. With regard to Intellicall's resale of service, an end-user should be allowed to access another interexchange carrier or operator service provider if he so desires.

9. For intrastate interLATA "0+" collect and calling card calls, Intellicall may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T and, for the usage portion of the call, Intellicall may not charge more than the intrastate rates charged by AT&T Communications at the time such a call is completed. These effective rates shall be included in the Company's tariffed Price List.

10. Intellicall is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similar to facilities-based interexchange carriers.

11. Intellicall shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178, in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

12. A Certificate of Public Convenience and Necessity is

hereby granted to Intellicall in accordance with the terms and conditions of this Order.

13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS**  
**FOR INTEREXCHANGE COMPANIES AND AOS'S**

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12  
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION  
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,  
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR  
ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT  
PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT  
AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR  
ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS  
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE  
INVESTMENT (SEE #3 ABOVE).